

## **M E M O R A N D U M**

**TO:** Governing Board Members

**FROM:** Tommy B. Strowd, Director, Operations, Maintenance & Construction Division

**DATE:** October 13, 2011

**SUBJECT:** C-44 Reservoir/Stormwater Treatment Area Additional Payment per Letter Agreement (Agreement) for Upfront Payment for USACE to Construct Citrus Boulevard Improvements

### **Background:**

The C-44 Reservoir/Stormwater Treatment Area Project (C-44 Project) is intended to be constructed by the U.S. Army Corps of Engineers (USACE) by utilizing three different construction contracts over the next eight years. The USACE C-44 Contract 1 for the C-44 Project includes the construction of the Intake Canal, a new Citrus Boulevard bridge across the Intake Canal, the project access road, the Citrus Boulevard turning lanes for the Project access road, the C-133A Canal, the southern portion of the C-133 Canal, the C-133 Spillway, and the larger culverts under Citrus Boulevard for conveyance of the C-133 Canal. The Contract 1 construction contract was awarded on July 14, 2011.

During the process of developing the Contract 1 construction documents and the Indian River Lagoon - South (IRL-S) Project Partnership Agreement (PPA), it was determined by the USACE that the Citrus Boulevard features were "relocation" features. It was also determined by both the USACE and the South Florida Water Management District (District) that the USACE would construct the Citrus Boulevard "relocation" features under Contract 1, because these features were integral to the other features being constructed by the USACE.

Since "relocation" features are the responsibility of the local sponsor as a cost-share cost, the District is required to provide an upfront payment for the Citrus Boulevard features. Per a Letter Agreement that was authorized by the Governing Board and entered into between the USACE and the District on November 3, 2010, the District paid the USACE \$1,983,000 for the construction of the Citrus Boulevard features.

Since that initial payment by the District, the USACE requested and received on July 28, 2011 an additional payment of \$170,000 from the District so that the total amount paid by the District of \$2,153,000 equaled the total amount received by the USACE on the bid proposal for the relocation features.

On September 6, 2011, the USACE requested an additional payment of \$258,360 to be made within 60 days of the request to cover the associated engineering during construction and construction supervision and administration expenses relative to the relocation features. Governing Board approval is requested to advance the additional sum of \$258,360 to the USACE so that USACE can proceed with the construction of the Citrus Boulevard road improvements within the C-44 Contract 1 construction contract.

**How this helps meet the District's 10 Year Strategic Plan?**

This Letter Agreement supports the completion of the C-44 Project, which is linked to the 10-Year Strategic Plan. The USACE initiated construction of the C-44 Project in FY11 and this additional upfront payment is required in order to maintain the USACE construction schedule.

**Funding Source:**

This additional request in accordance with the Letter Agreement provides for a one-time upfront payment in the amount of \$258,360 which represents an estimated cost to fulfill the District's obligation as local sponsor for "relocation" features of which \$258,360 of Comprehensive Everglades Restoration Plan ad valorem funds has been budgeted to the project.

**This Board item impacts what areas of the District, both resources areas and geography:**

The Operations, Maintenance, and Construction Section and the C-44 Project site located in Martin County north of the C-44 Canal are impacted by this Letter Agreement.

**What concerns could this board item raise?**

In the event the actual costs of the entire Citrus Boulevard relocation work exceed the current total estimate and payment of \$2,411,360, any additional payment by the District to the USACE would require future Governing Board approval of an additional appropriation.

**Why should the Governing Board approve this item?**

Approval of the additional payment request will allow the District to fulfill its obligations to the USACE, which will allow the USACE to meet its construction schedule.

Attachments – Resolution, Map, Request Letter from USACE  
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